Form (2)
Sr.No. 0205
Date 26.11.2014

THE REPUBLIC OF THE UNION OF MYANMAR

The Myanmar Investment Commission

PERMIT

Permit No. 852/ 2014 Date 26th NOVEMBER 2014

The Myanmar Investment Commission issues this Permit under section 13(b) of the Republic of the Union of Myanmar Foreign Investment Law-

(a) Name of Investor/Promoter MR. DAVID PETTINARI

(b) Citizenship ARGENTINIAN

(c) Address 1103, YÉ TA KHUN TOWER, UPPER KYIMYINDAING ROAD, KYIMYINDAING TOWNSHIP, YANGON REGION

(d) Name and Address of Principle Organization NESTLÉ S.A. AVENUE NESTLÉ 55 VEVEY, VAUD, CH-1800 SWITZERLAND

(e) Place of Incorporation SWITZERLAND

(f) Type of Investment Business PRODUCTION AND DISTRIBUTION OF FOOD AND BEVERAGE

(g) Place(s) at which investment is permitted PLOT NO.95, INDUSTRIAL ZONE (1), DAGON MYOTHIT SEIKKAN TOWNSHIP, YANGON REGION

(h) Amount of Foreign Capital US$ 23.75 MILLION

(i) Period for Foreign Capital brought in WITHIN SIX YEARS FROM THE DATE OF ISSUANCE OF MIC PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 25.00 MILLION (INCLUDING US$ 23.75 MILLION)

(k) Construction Period 3 YEARS

(l) Validity of investment permit 6 YEARS

(m) Form of investment JOINT VENTURE

(n) Name of Company incorporated in Myanmar NESTLÉ MYANMAR LIMITED

Chairman

The Myanmar Investment Commission

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ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်
ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၈၅၂/၂၀၁၄ — ၂၀၁၄ ခုနှစ် နိုဝင်ဘာလ ၂၆ ရက်

ပြည်ထောင်စု သမ္မတမြန်မာနိုင်ငံတော် နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေပုဒ်မ(၁၃)ပုဒ်မခွဲ(ခ)အရ ဤခွင့်ပြုမိန့်ကိုမြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်ကထုတ်ပေးလိုက်သည်-

(က) ကမကထပြုသူ၏အမည် MR. DAVID PETTINARI

(ခ) နိုင်ငံသား ARGENTINIAN

(ဂ) နေရပ်လိပ်စာ 1103, YE TA KHUN TOWER, UPPER KYIMYINDAING ROAD, KYIMYINDAING TOWNSHIP, YANGON REGION

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ NESTLÉ S.A. AVENUE NESTLÉ 55 VEVEY, VAUD, CH-1800 SWITZERLAND

(င) ဖွဲ့စည်းရာအရပ် SWITZERLAND

(စ) ရင်းနှီးမြှုပ်နှံသည့်လုပ်ငန်းအမျိုးအစား အစားအစာနှင့် အဖျော်ယမကာ ထုတ်လုပ်ခြင်းနှင့် ဖြန့်ဖြူး ရောင်းချခြင်းလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံသည့်အရပ်ဒေသ(များ) မြေကွက် အမှတ် ၉၅၊ စက်မှုဇုန် (၁)၊ ဒဂုံမြို့သစ်ဆိပ်ကမ်းမြို့နယ်၊ ရန်ကုန်တိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်းပမာဏ အမေရိကန်ဒေါ်လာ ၂၃.၇၅ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ကော်မရှင် ခွင့်ပြုမိန့်ရရှိသည့် နေ့မှ ၆ နှစ် အတွင်း

(ည) စုစုပေါင်းမတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၂၅.၀၀ သန်းနှင့် ညီမျှသော မြန်မာကျပ်ငွေ (အမေရိကန်ဒေါ်လာ ၂၃.၇၅ သန်း အပါအဝင်)

(ဋ) တည်ဆောက်မှုကာလ ၃ နှစ်

(ဌ) ရင်းနှီးမြှုပ်နှံမှုခွင့်ပြုသည့် သက်တမ်း ၆ နှစ်

(ဍ) ရင်းနှီးမြှုပ်နှံမှုပုံစံ ဖက်စပ်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု

(ဎ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေးအဖွဲ့အစည်းအမည် NESTLÉ MYANMAR LIMITED

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

THE REPUBLIC OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION

No.(1), THITISAR ROAD, YANKIN TOWNSHIP, YANGON

Our ref : DICA-2/FI-106/ 2014(0205) Tel: 95-01-658127

Date : 26th November 2014 Fax:95-01-658136

Subject : Decision of the Myanmar Investment Commission on the Proposal for Production and Distribution of Food and Beverage under the name of "Nestlé Myanmar Limited."

Reference: Nestlé Myanmar Limited.' s Letter dated 28-8-2014.

1. The Myanmar Investment Commission, at its meeting (24/ 2014) held on (17-10-2014) had approved the proposal for investment in "Production and Distribution of Food and Beverage" under the name of "Nestlé Myanmar Limited" submitted as a joint venture between Nestlé S.A (95%) from Switzerland and U Aung Maw Thein (5%) from the Republic of the Union of Myanmar.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VII, section 13(b) of the Republic of the Union of Myanmar Foreign Investment Law and Chapter VIII, Rule 49 of the Foreign Investment Rules relating to the Republic of the Union of Myanmar Foreign Investment Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 6 (six) years for phase I. The term of the Lease Agreement for land and buildings shall be initial 6 (six)years from the date of signing of the Lease Agreement between U Aung Maw Thein , Daw Moe Myat Win and Nestlé Myanmar Limited and can be extendable not exceeding 48 years.

4. The annual rent for the land and buildings calculated at the rate of US$ 29 per square meter per year of the land measuring 3.162 acres (12,802 square meters).The annual rent for any extension or renewal of the initial term or otherwise shall be US$ 35 per square meter and shall be due and payable by the Lessee within 30 days from the commencement of the relevant extension or renewal period.

5. In issuing this "Permit," the Commission has granted the followings, exemptions and reliefs as per Chapter XII section 27 (a), (h) and (i) of the Foreign Investment Law. Other exemptions and reliefs under section 27 shall have to be applied upon the actual performance of the project;

(a) As per section 27(a), income tax exemption for a period of five consecutive years including the year of commencement on commercial operation;

(b) As per section 27(h), exemption or relief from custom duty or other internal taxes or both on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction of business;

(c) As per section 27 (i), exemption or relief from customs duty or other internal taxes or both on raw materials imported for production for the first three-year after the completion of construction of business;

6. Nestlé Myanmar Limited shall have to sign the Lease Agreement for land and buildings with U Aung Maw Thein and Daw Moe Myat Win, Subscription and Shareholders' Agreement with Nestlé S.A. and U Aung Maw Thein. After signing such Agreements, each of (5) copies shall have to be forwarded to the Commission.

7. Nestlé Myanmar Limited in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum of Association and Articles of Association shall have to be forwarded to the Commission.

8. Nestlé Myanmar Limited shall use its best efforts for timely realization of works stated in the proposal. If none of such works has been commenced within one year from the date of issue of this "Permit" it shall become null and void.

9. Nestlé Myanmar Limited has to abide by Chapter X, Rule 58 and 59 of the Foreign Investment Rules for construction period.

10. As per Chapter X, Rule 61 of the Foreign Investment Rules, extension for construction period shall not be allowed more than twice except it is due to unavoidable events such as natural disasters, instabilities, riots, strikes, emergency of State condition, insurgency and outbreak of wars.

11. As per Chapter X, Rule 63 of the Foreign Investment Rules, if Nestlé Myanmar Limited cannot construct completely in time during the construction period or extension period, the Commission will have to withdraw the permit issued to the investor and there is no refund for the expenses of the project.

12. The commercial date of operation shall be reported to the Commission.

13. Nestlé Myanmar Limited shall endeavour to meet the targets for production stated in the proposal as the minimum target.

14. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal in accordance with Chapter XI, section 24 and section 25 of the Foreign Investment Law and Nestle′ Myanmar Limited has to follow the existing Labour Laws for the recruitment of staff and labour in accordance with Chapter XIII, Rule 84 of the Foreign Investment Rules.

15. In order to evaluate foreign capital and for the purpose of its registration in accordance with the provisions under Chapter XV, section 37 of the Republic of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened and defined under Chapter XVI, Rules 134 and 135 of the Foreign Investment Rules;

(b) the detailed lists of the type and value of foreign capital defined under Chapter I, section 2(i) of the said Law, other than foreign currency.

16. Nestlé Myanmar Limited brings in foreign capital defined under Chapter I, section 2(i) of the Foreign Investment Law, other than foreign currency in the manner stated in paragraph 15(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

17. Nestlé Myanmar Limited has the right to make account transfer and expend the foreign currency from his bank account in accordance with Chapter XVI, Rule 136 of the Foreign Investment Rules and for transfer of local currency generated from the business to the local currency account opened at the bank by a citizen or a citizen-owned business in the State and right to transfer back the equivalent amount of foreign currency from the foreign currency bank account of a citizen or citizen-owned business by submitting the sufficient document in accordance with Chapter XVII, Rule 145 of the Foreign Investment Rules.

18. Nestlé Myanmar Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost overrun, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

19. Nestlé Myanmar Limited shall be responsible for the preservation of the environment at and around the area of the project site. In addition to this, it shall carry out as per instructions made by Ministry of Environmental Conservation and Forestry in which to conduct an Environmental Management Plan (EMP) which describe the measure to be taken for preventing, mitigation and monitoring significant environmental impacts resulting from the implementation and operation of proposed project or business or activity has to be prepared and submitted, and to perform activities in accordance with this EMP and to abide by the environmental policy, Environmental Conservation Law and other environmental related rules and procedures.

20. After getting permit from Myanmar Investment Commission, Nestlé Myanmar Limited shall have to be registered at the Directorate of Industrial Supervision and Inspection.

21. After getting permit from Myanmar Investment Commission, Nestlé Myanmar Limited must follow National Food Law and it is necessary to get the permission of Food and Drug Administration (FDA) under Ministry of Health.

22. Nestlé Myanmar Limited shall have to abide by the Fire Services Department's rules, regulations, directives and instructions. Moreover, fire prevention measures shall have to undertake such as water storage tank, fire extinguishers and provide training to use the fire fighting equipments and also to appoint fire safety officer.

23. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc., shall only be made local sales of Nestlé Myanmar Limited.

24. Nestlé Myanmar Limited in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter XII, Rule 79 and 80 of the Foreign Investment Rules.

(Zay Yar Aung)
Chairman

Nestlé Myanmar Ltd.

cc: 1. Office of the Union Government of the Republic of the Union of Myanmar
2. Ministry of Home Affairs
3. Ministry of Foreign Affairs
4. Ministry of Environmental Conservation and Forestry
5. Ministry of Electric Power
6. Ministry of Immigration and Population
7. Ministry of Industry

8. Ministry of Commerce
9. Ministry of Health
10. Ministry of Finance
11. Ministry of National Planning and Economic Development
12. Ministry of Labour, Employment and Social Security
13. Office of the Yangon Region Government
14. Director General, Fire Service Department
15. Director General, Department of Environmental Conservation
16. Managing Director, Myanma Electric Power Enterprise
17. Director General, Immigration and National Registration Department
18. Director General, Directorate of Industrial Supervision and Inspection
19. Managing Director, Pharmaceutical and Foodstuff Industries
20. Director General, Directorate of Trade
21. Director General, Food and Drug Administration (FDA)
22. Director General, Customs Department
23. Director General, Internal Revenue Department
24. Director General, Directorate of Investment and Company Administration
25. Director General, Directorate of Labour
26. Managing Director, Myanma Foreign Trade Bank
27. Managing Director, Myanma Investment and Commercial Bank
28. Managing Director, Myanma Insurance
29. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)